

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

MAR 24 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01278A
Clemenceau Water Company
P. O. Box 58
Cottonwood AZ 853260000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

2003

Company Name (Business Name) CLEMENCEAU WATER COMPANY**Mailing Address** P. O. Box 58

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

(928) 634-8879

Telephone No. (Include Area Code)

(928) 634-8879

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____**Local Office Mailing Address** P. O. Box 58

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

(928) 634-8879

Local Office Telephone No. (Include Area Code)

(928) 634-8879

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: George T. Siler, Jr. President

(Name)

(Title)

P. O. Box 58

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

(928) 634-8879

Telephone No. (Include Area Code)

(928) 634-8879

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____**On Site Manager:** George T. Siler, Jr.

(Name)

1865 E. Carpenter Lane

(Street)

Cottonwood

(City)

AZ

(State)

86326

(Zip)

(928) 646-6059

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Esser, Bradley

(Name)

1785 W. Hwy 89A, Suite 2-1

(Street)

Sedona

(City)

AZ

(State)

86336

(Zip)

(928) 282-1483

Telephone No. (Include Area Code)

(928) 282-7885

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: James N. Bradley

(Name)

1785 W. Hwy 89A, Suite 2-1

(Street)

Sedona

(City)

AZ

(State)

86336

(Zip)

(928) 282-1483

Telephone No. (Include Area Code)

(928) 282-7885

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)☒ C Corporation (C) (Other than Association/Co-op)☐ Partnership (P)☐ Subchapter S Corporation (Z)☐ Bankruptcy (B)☐ Association/Co op (A)☐ Receivership (R)☐ Limited Liability Company☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE☐ COCHISE☐ COCONINO☐ GILA☐ GRAHAM☐ GREENLEE☐ LA PAZ☐ MARICOPA☐ MOHAVE☐ NAVAJO☐ PIMA☐ PINAL☐ SANTA CRUZ☒ YAVAPAI☐ YUMA☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,657		2,657
302	Franchises	4,255		4,255
303	Land and Land Rights	13,200		13,200
304	Structures and Improvements	19,567	11,561	8,006
307	Wells and Springs	42,888	42,888	0
311	Pumping Equipment	81,692	62,742	18,950
320	Water Treatment Equipment	950	942	8
330	Distribution Reservoirs and Standpipes	146,394	85,007	61,387
331	Transmission and Distribution Mains	216,896	195,014	21,882
333	Services	33,996	24,273	9,723
334	Meters and Meter Installations	30,704	21,518	9,186
335	Hydrants	17,294	8,962	8,332
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	247	168	79
340	Office Furniture and Equipment	1,496	451	1,045
341	Transportation Equipment	12,436	622	11,814
343	Tools, Shop and Garage Equipment	2,511	2,133	378
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	15,000	1,500	13,500
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	642,183	457,781	184,402

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,657	0	0
302	Franchises	4,255	0	0
303	Land and Land Rights	13,200	0	0
304	Structures and Improvements	19,567	5%	978
307	Wells and Springs	42,888	5%	0
311	Pumping Equipment	81,692	5%	4,085
320	Water Treatment Equipment	950	5%	48
330	Distribution Reservoirs and Standpipes	146,394	5%	7320
331	Transmission and Distribution Mains	216,896	5%	10,845
333	Services	33,996	5%	1,700
334	Meters and Meter Installations	30,704	5%	1,535
335	Hydrants	17,294	5%	865
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	247	5%	12
340	Office Furniture and Equipment	1,496	5%	75
341	Transportation Equipment	12,436	5%	622
343	Tools, Shop and Garage Equipment	2,511	5%	126
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	15,000	5%	750
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	642,183		28,961

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 95,000	\$ 105,316
134	Working Funds	17,000	12,710
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	15,089	17,414
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	19,728	50,756
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	5,156	4,961
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 151,973	\$ 191,157
	FIXED ASSETS		
101	Utility Plant in Service	\$ 628,022	\$ 642,183
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	- 428,820	- 457,781
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 199,202	\$ 184,402
	TOTAL ASSETS	\$ 351,175	\$ 375,559

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITIES			
231	Accounts Payable	\$ 26,511	\$ 11,822
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	7,120	5,530
236	Accrued Taxes	17,251	14,670
237	Accrued Interest	165	266
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 51,047	\$ 32,288
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 35,341	\$ 28,114
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	29,105	28,645
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	35,597	35,137
272	Less: Amortization of Contributions	- 2,110	- 2,110
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 62,592	\$ 61,672
	TOTAL LIABILITIES	\$ 148,980	\$ 122,074
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 30,000	\$ 30,000
211	Paid in Capital in Excess of Par Value	172,195	223,485
215	Retained Earnings	0	0
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 202,195	\$ 253,485
	TOTAL LIABILITIES AND CAPITAL	\$ 351,175	\$ 375,559

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 199,077	\$ 187,299
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	1,200	850
	TOTAL REVENUES	\$ 200,277	\$ 188,149
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 73,670	\$ 78,656
610	Purchased Water	1,966	1,128
615	Purchased Power	22,696	21,157
618	Chemicals	0	0
620	Repairs and Maintenance	7,823	5,625
621	Office Supplies and Expense	3,787	3,830
630	Outside Services	1,213	913
635	Water Testing	522	1,281
641	Rents	2,759	3,530
650	Transportation Expenses	8,865	3,733
657	Insurance – General Liability	4,171	4,204
659	Insurance - Health and Life	7,285	9,178
666	Regulatory Commission Expense – Rate Case	45	45
675	Miscellaneous Expense	510	463
403	Depreciation Expense	28,253	28,961
408	Taxes Other Than Income	7,736	7,101
408.11	Property Taxes	8,105	7,249
409	Income Tax	2,761	3,002
	TOTAL OPERATING EXPENSES	\$ 182,167	\$ 180,056
	OPERATING INCOME/(LOSS)	\$ 18,110	\$ 8,093
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 10	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	16	463
427	Interest Expense	2,279	1,810
	TOTAL OTHER INCOME/(EXPENSE)	\$ (2,285)	\$ (2,273)
	NET INCOME/(LOSS)	\$ 15,825	\$ 5,820

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1-12-98			
Source of Loan	1st Mtg			
ACC Decision No.	61549			
Reason for Loan	100,000 gal storage tank			
Dollar Amount Issued	\$ 70,000	\$	\$	\$
Amount Outstanding	\$ 28,114	\$	\$	\$
Date of Maturity	1-12-08			
Interest Rate	5%			
Current Year Interest	\$ 1,544	\$	\$	\$
Current Year Principle	\$ 7,200	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 29,104

Meter Deposits Refunded During the Test Year

\$ 891

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-505-300	20	180	390	10	2	1984
55-624-266	10	80	200	12	2	1972
55-624-265	7.5	80	200	8	2	1912/13

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
2" hook-up w/Cwd Water Works	100	4,123

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	53	16
10	4		
7.5	1		
5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	2	10,000	2
50,000	2	5,000	1
10,000	2		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	STL - PVC	5,600
3		
4	CI - PVC	14,400
5		
6	CI AC PVC	140,000
8	PVC PVC900	4,155
8"	DI	127

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	187
3/4	
1	8
1 1/2	16
2	36
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
Total	247

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Positive displacement HTH broth standby

STRUCTURES:

Pump house/workshop, storage garages

OTHER:

Lighting, security fences around all wells, pumps, tanks and pipe and equipment areas

Gas fired generator

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	249	4,041	4,343
FEBRUARY	249	3,853	4,204
MARCH	249	4,094	4,275
APRIL	249	6,184	6,464
MAY	249	7,045	7,213
JUNE	249	8,476	9,006
JULY	249	9,698	10,233
AUGUST	249	7,908	8,125
SEPTEMBER	249	7,247	7,278
OCTOBER	248	7,105	7,902
NOVEMBER	247	5,607	5,871
DECEMBER	247	4,057	4,335
TOTAL		N/A	79,249

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. #1 0.023 mcL
 (If more than one well, please list each separately) #2 0.024 mcL
 #3 0.023 mcL

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME CLEMENCEAU WATER COMPANY YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 7,249

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

1148

CLEMENCEAU WATER CO. 03/97
SPECIAL ACCOUNT
P.O. BOX 58
COTTONWOOD, AZ 86326

DATE 4-25-03

91-170
855 1221 AZ

PAY
TO THE
ORDER OF

Russ H. Gerts Yavapai County Treasurer

\$ 3,882.22

three thousand eight hundred eighty two and 22/100

DOLLARS

Bank of America.



FOR 905-40630-4

Mr. George J. Allen

⑈00111A⑈ ⑆122101706⑆ 000252125987⑈

⑈0000388222⑈

84292333

21545 0040

20658264

VS DATE 04/30/03
MAR 20/03 (FRI) A01 P01

3150513050

1015

CREDIT TO PAYEE'S ACCT
ENDORSEMENT GUARANTEED
BY PHONE - NA.
04/30/03

59103514

1136

CLEMENCEAU WATER CO. 03/97
SPECIAL ACCOUNT
P.O. BOX 58
COTTONWOOD, AZ 86326

DATE 9-8-03

91-170
1221 AZ

PAY
TO THE
ORDER OF

Les W. Jacobs - Yavapai Cnty Treasurer

\$ 3,366.67

three thousand three hundred sixty six and 67/100

DOLLARS

Bank of America.



FOR 905-40-630 4

Mrs. Dening Diller

⑈001136⑈ ⑆122101706⑆ 000252125987⑈

⑈0000336667⑈

10142003 1015 CREDIT TO PAYEE'S ACCT
21811 0031 ENFORCEMENT GUARANTEED
20658264
1014201331

10/14/03 E2994 01 P01
US DATE 10/14/03
P09 E C 646 AZ

34510611

3550091850

Page 12

COMPANY NAME CLEMENCEAU WATER COMPANY

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>203,571</u>
Estimated or Actual Federal Tax Liability	<u>2,109</u>

State Taxable Income Reported	<u>203,571</u>
Estimated or Actual State Tax Liability	<u>893</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>28,645</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>28,645</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Rosalie M. Siler
SIGNATURE

3-20-04
DATE

Rosalie M. Siler
PRINTED NAME

Secretary
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 24 2004
ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>George T. Siler Jr.</u>
COMPANY NAME
<u>Clemenceau Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

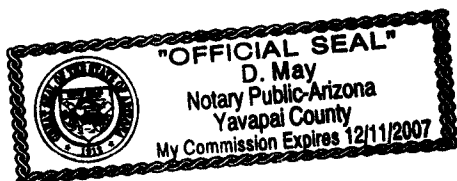
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 203571

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 17841
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME 3/15/04

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3-15-04

DAY OF

(SEAL)

MY COMMISSION EXPIRES

12-11-7

SIGNATURE OF OWNER OR OFFICIAL

(928) 634 8879

TELEPHONE NUMBER

COUNTY NAME

YAVAPAI

MONTH

MARCH

2004

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 24 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	
NAME (OWNER OR OFFICIAL) George T. Siler Jr.	TITLE President
COMPANY NAME Clemenceau Water Company	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

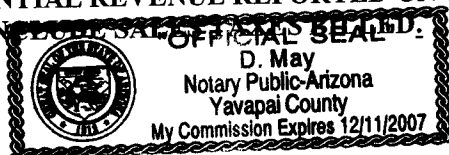
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 81019

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7036
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE NOTARY SEAL:**



SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

March 2004

(SEAL)

MY COMMISSION EXPIRES

3-15-04

NOTARY PUBLIC NAME D May	
COUNTY NAME YAVAPAI	
MONTH MARCH	YEAR 2004

X _____
SIGNATURE OF NOTARY PUBLIC